

Harbor International Fund

Marathon Asset Management LLP

Subadviser Since 08/22/2018

Total Net Assets - All Classes \$4,085,770,511
Equity Assets: 98.13%
Cash & Other Assets Less Liabilities: 1.87%
Benchmark Name: MSCI EAFE (ND) Index

Portfolio Managers

Neil M. Ostrer Charles Carter Nick Longhurst William J. Arah
 Simon Somerville Justin Hill Alex Duffy

Investment Philosophy

The Fund invests primarily in common and preferred stocks of foreign companies, including limited exposure to those in emerging market countries. The portfolio manager focuses on identifying long-term investment opportunities that can arise as a result of certain capital cycle, or supply-side, conditions. Capital cycle investing is based on the concept that the prospect of high returns will attract excessive capital and competition, and vice versa. The portfolio manager uses fundamental, bottom-up qualitative analysis. Research meetings with company management represent the majority of analytical effort conducted. The Fund typically invests in between 350 to 450 companies across Europe, Japan, the Pacific Basin and a limited allocation to emerging markets. While inherently diversified, a bias towards smaller and mid cap businesses in niche industries, coupled with a particularly long holding period, result in a portfolio that is significantly differentiated from the Fund's benchmark index.

CHARACTERISTICS & ALLOCATION

As of 03/31/2022

Portfolio Characteristics		
	Portfolio	Benchmark
Number of Holdings	370.00	825
Wtd Avg Market Cap (\$Mil)	49572.10	82,612.10
Med Cap - # Stocks (\$Mil)	10534.00	13,087.00
Price/Book Ratio	2.22	2.42
Adjusted Trailing P/E Ratio	17.30	18.00
% EPS Growth - Past 3 Yr	4.80	6.40
Return on Equity (%)	12.59	12.65
Beta vs. Fund Benchmark	1.01	
Forecasted P/E Ratio	15.80	17.10
Proj. Earnings Growth Rate (%)	14.90	13.20

Top 10 Holdings		
	Portfolio %	Benchmark %
BP p.l.c.	1.97	0.60
Roche Holding Ltd Divid	1.97	1.73
Novo Nordisk A/S Class	1.88	1.17
HitachiLtd.	1.47	0.30
Equinor ASA	1.39	0.23
Nippon Telegraph and Te	1.30	0.22
Vestas Wind Systems A/S	1.22	0.19
Glencore plc	1.20	0.40
Barclays PLC	0.99	0.20
BNP Paribas S.A. Class	0.99	0.40
Total	14.38	5.44

Top 10 Industries		
	Portfolio %	Benchmark %
Banks	9.46	8.90
Insurance	5.40	5.09
Metals & Mining	4.81	3.97
Pharmaceuticals	4.24	9.03
Hotels Rest & Leisure	4.09	1.38
Professional Services	4.07	1.67
Oil Gas & Consumables	3.85	4.09
Health Care Equip	3.70	2.05
Electrical Equipment	3.62	1.78
Machinery	3.49	2.94
Total	46.73	40.90

Economic Sectors		
	Portfolio %	Benchmark %
Industrials	22.78	15.36
Financials	18.47	17.69
Consumer Discretionary	11.07	11.51
Health Care	9.87	13.04
Consumer Staples	8.95	10.20
Materials	8.84	8.23
Communication Services	6.98	4.87
Information Technology	6.17	8.62
Energy	4.19	4.13
Utilities	0.49	3.38
Real Estate	0.32	2.91

Top 10 Countries		
	Portfolio %	Benchmark %
United Kingdom	24.72	15.28
Japan	22.16	22.28
France	8.11	11.39
Switzerland	5.99	10.41
Denmark	5.95	2.70
Germany	4.77	8.24
Australia	3.57	8.16
Netherlands	3.08	4.39
Sweden	2.69	3.53
Italy	2.31	2.35
Total	83.35	88.73
Emerging Markets	5.24	0.00

Market Capitalization		
		Portfolio %
Large	Above 25.0B	47.37
	10.0B - 25.0B	24.61
Mid	5.0B - 10.0B	11.71
	1.0B - 5.0B	15.57
Small	0.0 - 1.0B	0.74



Harbor
 Trusted Partnerships > Trusted Solutions



Performance

Share Class	Ticker	CUSIP	3 Months	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	Since Inception	Inception Date	Net Expense Ratio %	Gross Expense Ratio %
Institutional	HAINX	411511306	-7.56%	-7.56%	-3.37%	7.88%	5.03%	4.42%	9.80%	12/29/87	0.77	0.88
Administrative	HRINX	411511652	-7.64%	-7.64%	-3.62%	7.60%	4.77%	4.15%	8.04%	11/01/02	1.02	1.13
Investor	HIINX	411511645	-7.65%	-7.65%	-3.71%	7.48%	4.64%	4.03%	7.90%	11/01/02	1.13	1.24
Retirement	HNINX	411512445	-7.55%	-7.55%	-3.31%	7.95%	5.11%	4.46%	9.81%	03/01/16	0.69	0.80
MSCI EAFE (ND) Index			-5.91%	-5.91%	1.16%	7.78%	6.72%	6.27%	5.40%	12/29/87		

MANAGER COMMENTARY

As of 03/31/2022

“As in most regions of the world, inflation within Europe spiraled higher over the period, reflecting the enormous rise in energy costs.”

Marathon Asset Management LLP (Marathon-London)

Market in Review

The first quarter of 2022 has been, to say the least, eventful. The period started with many countries still under restriction due to the COVID-19 Omicron variant. Central banks were grappling with inflation and concerns over rising energy prices. Then Russian forces entered Ukraine. Marathon, like the rest of the world, has been shocked and saddened by the terrible human cost of the conflict. The unprecedented sanctions imposed by the West have effectively isolated Russia, drawing a new Iron Curtain across Europe and causing substantial market disruption.

Against this backdrop all major regional equity markets posted negative returns during the quarter.

Russia is home to the world’s largest reserves of oil and gas, so it is not surprising that the energy industry has been significantly affected by the Russia-Ukraine conflict. The Harbor International Fund (“Fund”) had limited off-benchmark exposure to Russia (~0.2% as of the end of December 2021) through two London-listed global depository receipts (GDRs). The unfolding events caused their value to fall substantially, and ultimately Marathon made the decision to write down the value of the holdings to USD 0.00001.

Under current circumstances, there is an economic and moral case for not investing in Russia. Toward that end, our plan is to sell our exposure when liquidity returns and to restrict future purchases of Russian securities.

Retirement Class shares commenced operations on March 1, 2016. The performance attributed to the Retirement Class shares prior to that date is that of the Institutional Class shares. Performance prior to March 1, 2016 has not been adjusted to reflect the lower expenses of Retirement Class shares. During this period, Retirement Class shares would have had returns similar to, but somewhat higher than, Institutional Class shares due to the fact that Retirement Class shares represent interests in the same portfolio as Institutional Class shares but are subject to lower expenses.

Performance data shown represents past performance and is no guarantee of future results. Past performance is net of management fees and expenses and reflects reinvested dividends and distributions. Past performance reflects the beneficial effect of any expense waivers or reimbursements, without which returns would have been lower. Investment returns and principal value will fluctuate and when redeemed may be worth more or less than their original cost. Returns for periods less than one year are not annualized. Current performance may be higher or lower and is available through the most recent month end at harborcapital.com or by calling 800-422-1050.



Marathon continues to monitor conditions in Ukraine as well as the impact any current or future sanctions may have on stocks within the Fund. Aside from staying vigilant, we continue to implement a bottom-up stock selection approach, focusing on the fundamentals of the businesses in which we invest rather than geopolitical or macroeconomic events.

Stylistically across all regions, value outperformed growth during the quarter. Marathon's current value orientation, particularly in Japan, had a positive impact on Fund performance.

From a size perspective, large-caps outperformed mid-caps across major markets. Marathon has had a consistent bias toward smaller and mid-cap stocks, therefore, large-cap outperformance weighed on relative returns.

Portfolio Performance

During the first quarter of 2022, the Harbor International Fund (Institutional Class) returned -7.56%, underperforming its benchmark, the MSCI EAFE (ND) Index, which returned -5.91%.

From a regional perspective, stock selection in Japan had a positive impact on relative returns, while stock selection in the U.K. had a negative impact. An underweight exposure to the Pacific ex-Japan region (notably Australia) and corresponding modest out-of-benchmark allocation to emerging markets weighed on relative returns.

Contributors & Detractors

Lack of exposure to Shell (formerly Royal Dutch Shell) weighed on relative returns. Shell is one of the oil majors with less exposure to Russia and consequently performed quite well during the period.

HelloFresh detracted from performance. The German meal-kit delivery service has been comparatively volatile during the first quarter. In December 2021, the stock price declined by over 23% following management guidance for revenue growth in 2022. Although growth is expected to remain strong, the increased investment in automated customer fulfillment centers and distribution capacity will put short-term pressure on margins.

Equinor, a Norwegian energy company, contributed positively to performance. Energy stocks with no or minimal positions in Russia have done well; those with larger commitments less so. Equinor falls into this first camp, announcing the divestiture of its Russian business soon after the conflict erupted.

Glencore, an Anglo-Swiss natural resources company, contributed to performance. Glencore mines, produces, and markets commodities including copper, zinc, aluminum, iron ore, coal, and silver. Glencore is geographically diversified and, while it has substantial Russian exposure, it benefits from higher prices in the many commodities it mines and trades elsewhere, including coal.

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Buys & Sells

We acquired a position in CSL. CSL is a biopharmaceutical company operating in an oligopolistic market structure where it enjoys a 33% global share in blood plasma collection. The company has the potential to grow market share and is expanding at a faster rate than its competitors in the key U.S. market. While CSL does not aim to be a price leader—it opts for client satisfaction which leads to loyalty—its price increases combined with yield and product-mix improvements have positive implications for gross profit margins. CSL is well-positioned to continue growing sales at or close to double digits while reinvesting a high proportion of its profits at high marginal returns. Its collection infrastructure, manufacturing, and research capabilities represent formidable barriers to entry. The COVID-19 era has proved a difficult time for the business due to a supply squeeze and weak demand, however, as conditions normalize, returns should follow suit.

We sold our position in Casio Computer due to the negative impact a slowing Chinese economy would have on the company's profitable G-Shock watch business. Also, for many years, the company has allocated capital inefficiently, which contributed to our decision to sell.

Outlook

While Marathon does not attempt to position the Fund according to forecasts for the future, we do recognize and comment on the market environment across the various regions of the Fund.

Europe: The MSCI Europe Index ended the quarter down -7.2%. Local market performance within the region varied, with the best performer, Norway, returning 10.15%, and the worst, Austria, returning -19.98%. The region's closer ties with Ukraine and Russia proved a major headwind. Countries heavily dependent on Russian energy exports or with a market particularly exposed to Russia and Ukraine, suffered badly, while markets with high exposure to energy and mining companies that have no or minimal exposure to Russia performed better.

As in most regions of the world, inflation within Europe spiraled higher over the period, reflecting the enormous rise in energy costs. The European Central Bank, lagging many others, reacted by outlining plans to stop its bond purchase program by the end of September, and hinted that rate increases could begin this year. In contrast, the Bank of England raised interest rates by 25 basis points twice during the quarter, with further hikes expected. Official forecasts now expect consumer price inflation to peak at almost 9% in the fourth quarter.

Despite the conflict on its borders, data for Europe, especially forward-looking indicators such as the Purchasing Managers Index, remains positive, though slightly less so than at the start of the period.

Japan: Japanese markets fell, and the yen weakened during the quarter driven by a reaction to external forces—particularly the US Federal Reserve ("Fed") embarking on what is expected to be a series of interest rate increases. Despite sharing a sea-border with Russia, Japan conducts comparatively little trade with the country however, it has joined other countries in applying strong sanctions against the regime and these have impacted some companies.



Pacific ex-Japan: Pacific ex-Japan was the only global region to record positive performance, which was driven entirely by Australian performance, with all other regional markets recording negative returns.

Australia's performance was led by energy and metals companies that have received a boost from the sanctions imposed on Russia. The market also benefited in U.S. dollar terms from a strengthening Australian dollar.

Elsewhere, Hong Kong and Singapore markets dipped over the period, while New Zealand suffered the worst decline, driven by two stocks that ended the period deep in negative territory for idiosyncratic reasons.

Emerging Markets: Emerging markets ended the quarter down with the MSCI Emerging Markets Index returning -6.97%. Regionally, Emerging Americas performed well however, the region only represents around 7% to 8% of the global Index. Emerging Asia, which represents around 78% of the index and Emerging EMEA finished the quarter in negative territory.

Russia, which represented around 3% of the index at the start of the year, was removed from MSCI's indexes on March 9, and all former Russian stocks were revalued to zero, representing a -100% return on the country over the quarter. The markets of Hungary and Poland suffered due to their proximity to the conflict and fears that it could expand. Many other markets benefited following the restrictions on Russian exports. Brazil, South Africa, Peru, Chile, and Colombia are major producers of metals that Russia has produced historically. Saudi Arabia, UAE, Qatar, Kuwait, Brazil, Mexico, and Colombia, all significant energy exporters, also benefited.

China has been less affected by the geopolitics that have rocked many of its index peers, however, the country is struggling to contain outbreaks of COVID-19 and has implemented lockdowns that have restricted the movement of people around the country and led to interruptions in economic activity and a sharp fall in share prices.



Best & Worst Performers

Best Performers	Average Weight %	Return %
Equinor ASA	1.11	42.20
BHP Group Ltd	0.47	34.88
Glencore plc	1.04	29.63
Rio Tinto plc	0.78	28.58
BAE Systems plc	0.41	26.84

Worst Performers	Average Weight %	Return %
HelloFresh SE	0.73	-40.66
Stabilus SA	0.27	-30.55
UniCredit S.p.A.	0.71	-28.81
Inchcape plc	0.39	-28.39
LIXIL Corporation	0.36	-28.07

Contributors & Detractors

Greatest Contributors	Return %	Contribution to Return %
Equinor ASA	42.20	0.39
Glencore plc	29.63	0.26
BP p.l.c.	11.51	0.17
Rio Tinto plc	28.58	0.17
BHP Group Ltd	34.88	0.13
Total		1.12

Greatest Detractors	Return %	Contribution to Return %
HelloFresh SE	-40.66	-0.38
Barclays PLC	-21.08	-0.27
Rightmove plc	-22.62	-0.24
Geberit AG	-23.97	-0.22
UniCredit S.p.A.	-28.81	-0.22
Total		-1.33

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Quarterly Attribution:

Harbor International Fund vs. MSCI EAFE (ND) Index

12/31/2021 - 03/31/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	-3.94	-3.73	-0.21
Currency Contribution	-2.37	-2.19	-0.19
Total Return	-6.31	-5.91	-0.40

Sector Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Information Technology	6.14	8.68	-2.54	-9.99	-16.13	6.13	-0.66	-1.51	0.31	0.41	0.73
Consumer Discretionary	11.72	12.18	-0.46	-12.04	-13.55	1.51	-1.49	-1.80	0.04	0.22	0.25
Materials	8.58	7.94	0.64	3.83	3.30	0.53	0.24	0.21	0.06	0.02	0.08
Industrials	22.57	15.61	6.97	-9.15	-10.72	1.57	-2.03	-1.67	-0.34	0.37	0.03
Utilities	0.43	3.36	-2.93	-0.53	-4.14	3.61	0.01	-0.13	-0.05	0.02	-0.03
Energy	3.79	3.96	-0.17	15.27	16.98	-1.71	0.47	0.56	-0.02	-0.06	-0.08
Real Estate	0.32	2.86	-2.54	-2.73	-2.71	-0.02	-0.01	-0.08	-0.08	0.00	-0.08
Health Care	9.26	12.53	-3.28	-5.94	-3.73	-2.21	-0.43	-0.36	-0.10	-0.20	-0.29
Financials	19.00	17.89	1.11	-3.10	-1.05	-2.05	-0.64	-0.22	0.06	-0.37	-0.31
Communication Services	7.23	4.71	2.52	-7.74	-1.68	-6.06	-0.57	-0.08	0.11	-0.43	-0.32
Consumer Staples	9.39	10.29	-0.90	-11.71	-7.69	-4.02	-1.19	-0.85	0.02	-0.40	-0.38
[Cash]	1.58	0.00	1.58	-1.39	0.00	-1.39	-0.03	0.00	0.00	0.00	0.00
Total	100.00	100.00	0.00	-6.31	-5.91	-0.40	-6.31	-5.91	0.01	-0.41	-0.40



Quarterly Attribution:
Harbor International Fund vs. MSCI EAFE (ND) Index

12/31/2021 - 03/31/2022

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Japan	22.33	22.62	-0.29	-2.13	-6.61	4.48	-0.73	-1.71	0.00	0.97	0.97
Netherlands	3.10	4.53	-1.44	-9.74	-17.12	7.38	-0.29	-0.83	0.20	0.24	0.44
Norway	1.56	0.72	0.85	23.09	10.15	12.93	0.33	0.07	0.12	0.18	0.30
Sweden	2.72	3.67	-0.96	-11.43	-15.46	4.04	-0.28	-0.55	0.10	0.12	0.23
France	8.05	11.53	-3.48	-8.80	-8.76	-0.04	-0.62	-0.98	0.11	-0.01	0.10
Ireland	1.13	0.65	0.48	-1.85	-20.13	18.27	-0.03	-0.14	-0.08	0.18	0.10
Singapore	0.94	1.33	-0.39	8.30	-1.72	10.02	0.07	-0.02	-0.01	0.08	0.07
South Africa	0.60	0.00	0.60	6.62	0.00	6.62	0.03	0.00	0.07	0.00	0.07
Finland	0.93	0.99	-0.06	-8.05	-11.89	3.85	-0.06	-0.11	0.01	0.04	0.04
Germany	5.07	8.67	-3.59	-16.85	-12.89	-3.96	-0.89	-1.13	0.25	-0.21	0.04
Peru	0.14	0.00	0.14	24.85	0.00	24.85	0.03	0.00	0.04	0.00	0.04
Canada	0.08	0.00	0.08	44.59	0.00	44.59	0.03	0.00	0.03	0.00	0.03
Indonesia	0.18	0.00	0.18	9.73	0.00	9.73	0.01	0.00	0.02	0.00	0.02
Mexico	0.09	0.00	0.09	13.51	0.00	13.51	0.02	0.00	0.02	0.00	0.02
Brazil	0.07	0.00	0.07	19.37	0.00	19.37	0.01	0.00	0.02	0.00	0.02
India	0.94	0.00	0.94	-4.76	0.00	-4.76	-0.05	0.00	0.01	0.00	0.01
Thailand	0.05	0.00	0.05	15.02	0.00	15.02	0.01	0.00	0.01	0.00	0.01
Belgium	0.33	0.91	-0.58	-0.15	-4.94	4.79	0.00	-0.04	-0.01	0.02	0.01
Israel	0.00	0.71	-0.71	0.00	-6.88	6.88	0.00	-0.05	0.01	0.00	0.01
Malaysia	0.04	0.00	0.04	2.49	0.00	2.49	0.00	0.00	0.00	0.00	0.00
New Zealand	0.12	0.20	-0.08	-9.11	-8.65	-0.47	-0.01	-0.02	0.00	0.00	0.00
Colombia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United States	0.02	0.00	0.02	-54.23	0.00	-54.23	-0.01	0.00	-0.01	0.00	-0.01
Hong Kong	1.56	2.92	-1.36	1.21	-1.82	3.02	-0.02	-0.10	-0.05	0.04	-0.01
South Korea	0.77	0.00	0.77	-7.55	0.00	-7.55	-0.07	0.00	-0.01	0.00	-0.01
Portugal	0.00	0.20	-0.20	0.00	2.32	-2.32	0.00	0.01	-0.02	0.00	-0.02
Austria	0.64	0.23	0.42	-15.75	-19.98	4.22	-0.10	-0.05	-0.05	0.02	-0.03
Taiwan	0.85	0.00	0.85	-11.54	0.00	-11.54	-0.11	0.00	-0.05	0.00	-0.05
Denmark	5.57	2.56	3.01	-7.24	-6.39	-0.86	-0.33	-0.12	-0.01	-0.05	-0.07
Russia	0.12	0.00	0.12	-58.60	0.00	-58.60	-0.10	0.00	-0.09	0.00	-0.09
China	1.37	0.00	1.37	-13.38	0.00	-13.38	-0.23	0.00	-0.10	0.00	-0.10
Spain	1.58	2.30	-0.71	-10.22	-4.14	-6.08	-0.16	-0.08	-0.01	-0.09	-0.11
Switzerland	5.94	10.22	-4.28	-8.72	-6.43	-2.28	-0.50	-0.63	0.02	-0.14	-0.12
Italy	2.47	2.45	0.02	-20.51	-10.05	-10.46	-0.54	-0.26	0.01	-0.31	-0.29
Australia	3.20	7.35	-4.16	7.42	7.25	0.16	0.16	0.61	-0.56	0.00	-0.56
United Kingdom	25.85	15.24	10.61	-7.26	1.83	-9.09	-1.94	0.22	0.85	-2.31	-1.46
[Cash]	1.58	0.00	1.58	-1.39	0.00	-1.39	-0.03	0.00	0.00	0.00	0.00
Total	100.00	100.00	0.00	-6.31	-5.91	-0.40	-6.31	-5.91	0.84	-1.24	-0.40



Trailing 1 Year Attribution:

Harbor International Fund vs. MSCI EAFE (ND) Index

03/31/2021 - 03/31/2022

Performance

	Portfolio	Benchmark	Active
Return ex Currency	3.43	6.21	-2.78
Currency Contribution	-5.13	-5.05	-0.08
Total Return	-1.70	1.16	-2.86

Sector Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Communication Services	7.25	4.80	2.45	-3.02	-10.75	7.73	-0.22	-0.52	-0.29	0.60	0.31
Real Estate	0.37	2.94	-2.57	-11.13	-1.17	-9.96	-0.04	-0.02	0.06	-0.04	0.02
Utilities	0.51	3.43	-2.91	-21.64	-1.83	-19.81	-0.10	-0.02	0.09	-0.12	-0.04
Energy	3.32	3.44	-0.12	27.41	30.22	-2.81	0.76	0.91	-0.04	-0.10	-0.13
Financials	17.33	17.27	0.06	3.60	5.12	-1.52	0.41	0.85	0.07	-0.28	-0.21
Information Technology	6.38	9.19	-2.81	-4.97	-1.04	-3.92	-0.36	-0.09	0.06	-0.28	-0.22
Health Care	9.80	12.45	-2.65	8.65	8.86	-0.21	0.91	1.08	-0.22	0.00	-0.22
Materials	7.89	7.80	0.10	3.03	8.37	-5.35	0.19	0.64	0.03	-0.40	-0.37
Industrials	22.74	15.77	6.97	-4.38	-3.79	-0.59	-0.88	-0.53	-0.33	-0.15	-0.47
Consumer Discretionary	13.02	12.50	0.52	-12.89	-9.47	-3.43	-1.58	-1.26	0.03	-0.53	-0.50
Consumer Staples	10.09	10.41	-0.31	-7.72	1.66	-9.38	-0.75	0.13	0.01	-0.94	-0.92
[Cash]	1.29	0.00	1.29	-2.27	0.00	-2.27	-0.04	0.00	-0.10	0.00	-0.10
Total	100.00	100.00	0.00	-1.70	1.16	-2.86	-1.70	1.16	-0.62	-2.24	-2.86



Trailing 1 Year Attribution:

Harbor International Fund vs. MSCI EAFE (ND) Index

03/31/2021 - 03/31/2022

Country Attribution

	Average Weight			Total Return			Contribution to Return		Attribution Analysis		
	Port. Avg. Wgt.	Bench. Avg. Wgt.	Variation in Avg. Wgt.	Port. Total Return	Bench. Total Return	Variation in Total Return	Port. Contribution To Return	Bench. Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Japan	22.15	23.20	-1.05	-3.84	-6.47	2.64	-1.26	-1.91	0.12	0.63	0.74
Norway	1.38	0.66	0.72	53.86	21.12	32.74	0.60	0.13	0.14	0.36	0.49
Hong Kong	1.46	3.04	-1.58	-12.40	-12.04	-0.36	-0.22	-0.41	0.24	-0.01	0.23
Sweden	2.86	3.75	-0.89	-3.79	-7.41	3.62	-0.02	-0.20	0.10	0.10	0.20
Ireland	0.86	0.69	0.17	8.63	-17.72	26.35	0.05	-0.12	-0.09	0.24	0.15
Singapore	0.89	1.17	-0.28	9.69	-4.62	14.31	0.08	-0.06	0.02	0.13	0.14
Germany	5.70	9.11	-3.41	-18.35	-11.96	-6.39	-0.95	-0.98	0.47	-0.35	0.12
Finland	0.93	1.03	-0.10	8.15	-2.61	10.76	0.08	-0.01	0.00	0.10	0.10
France	7.96	11.44	-3.48	7.38	4.56	2.82	0.61	0.55	-0.11	0.20	0.10
Canada	0.05	0.00	0.05	59.47	0.00	59.47	0.04	0.00	0.05	0.00	0.05
Indonesia	0.10	0.00	0.10	32.49	0.00	32.49	0.03	0.00	0.04	0.00	0.04
South Africa	0.34	0.00	0.34	0.23	0.00	0.23	0.01	0.00	0.04	0.00	0.04
Italy	2.45	2.47	-0.02	-1.30	-2.65	1.35	-0.03	-0.06	0.02	0.02	0.04
Spain	1.62	2.37	-0.75	-3.04	-3.73	0.69	-0.04	-0.05	0.03	0.01	0.04
Peru	0.08	0.00	0.08	24.13	0.00	24.13	0.03	0.00	0.04	0.00	0.04
Mexico	0.04	0.00	0.04	42.38	0.00	42.38	0.03	0.00	0.03	0.00	0.03
New Zealand	0.13	0.23	-0.10	-6.51	-15.24	8.73	-0.01	-0.03	0.02	0.01	0.03
Malaysia	0.04	0.00	0.04	5.23	0.00	5.23	0.00	0.00	0.00	0.00	0.00
Colombia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Philippines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
United States	0.05	0.00	0.05	-49.75	0.00	-49.75	0.01	0.00	0.00	0.00	0.00
Belgium	0.33	0.92	-0.59	-3.86	-0.32	-3.54	-0.01	0.01	0.01	-0.01	0.00
Brazil	0.04	0.00	0.04	-16.43	0.00	-16.43	-0.01	0.00	-0.01	0.00	-0.01
Portugal	0.00	0.19	-0.19	0.00	7.05	-7.05	0.00	0.02	-0.01	0.00	-0.01
India	0.93	0.00	0.93	-1.43	0.00	-1.43	-0.02	0.00	-0.02	0.00	-0.02
Thailand	0.10	0.00	0.10	22.21	0.00	22.21	-0.02	0.00	-0.02	0.00	-0.02
Israel	0.00	0.64	-0.64	0.00	7.61	-7.61	0.00	0.04	-0.04	0.00	-0.04
Taiwan	1.19	0.00	1.19	-1.58	0.00	-1.58	-0.02	0.00	-0.06	0.00	-0.06
Netherlands	3.21	4.65	-1.44	-10.17	-5.19	-4.98	-0.29	-0.25	0.16	-0.22	-0.06
Austria	0.69	0.21	0.47	-12.92	3.62	-16.54	-0.07	0.00	0.04	-0.14	-0.10
Russia	0.09	0.00	0.09	-58.95	0.00	-58.95	-0.10	0.00	-0.10	0.00	-0.10
South Korea	0.93	0.00	0.93	-11.49	0.00	-11.49	-0.12	0.00	-0.16	0.00	-0.16
Denmark	5.98	2.60	3.38	-0.74	14.92	-15.66	0.06	0.38	0.46	-0.90	-0.45
China	1.35	0.00	1.35	-28.16	0.00	-28.16	-0.47	0.00	-0.45	0.00	-0.45
Australia	3.38	7.11	-3.73	15.06	13.47	1.59	0.49	1.01	-0.52	0.02	-0.50
Switzerland	5.80	9.88	-4.07	9.63	13.89	-4.26	0.50	1.25	-0.48	-0.23	-0.71
United Kingdom	25.61	14.63	10.99	-2.65	13.63	-16.28	-0.64	1.84	1.33	-4.01	-2.68
[Cash]	1.29	0.00	1.29	-2.27	0.00	-2.27	-0.04	0.00	-0.10	0.00	-0.10
Total	100.00	100.00	0.00	-1.70	1.16	-2.86	-1.70	1.16	1.20	-4.06	-2.86

Risks

There is no guarantee that the investment objective of the Fund will be achieved. Stock markets are volatile and equity values can decline significantly in response to adverse issuer, political, regulatory, market and economic conditions. Investing in international and emerging markets poses special risks, including potentially greater price volatility due to social, political and economic factors, as well as currency exchange rate fluctuations. These risks are more severe for securities of issuers in emerging market regions. Stocks of small and mid cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies.

Marathon-London's assessment of the capital cycle for a particular industry or company may be incorrect. Investing in companies at inopportune phases of the capital cycle can result in the Fund purchasing company stock at pricing levels that are higher than the market dynamics would support and therefore subject the Fund to greater risk that the stock price would decline rather than increase over time.

Disclosures

The MSCI EAFE (ND) Index is an unmanaged index generally representative of major overseas stock markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Expense ratio information is as of the Fund's current prospectus, as supplemented. Gross expenses are the Fund's total annual operating expenses. The net expense ratios for this fund are subject to a contractual management fee waiver and/or expense limitation agreement, excluding interest expense and acquired fund fees and expenses (if any), through 02/28/2023.

All holdings-related data is provided by FactSet. Because FactSet relies on external sources for its data, that data may differ slightly from actual values maintained by Harbor Funds.

Due to the security valuation procedures of the Fund and intra-day trading activity not included in the FactSet calculations, the actual returns may vary. From time to time the cash return in the portfolio may appear distorted based on the way FactSet's attribution calculation methodology addresses delayed settlements.

Beta is a rolling three year, unless the Fund has a track record of less than three years, in which case it is a rolling one year.

The mean/median long term growth rate for Projected Earnings Growth Rate is the expected growth over the next 3-5 years calculated by FactSet from data provided by brokers. The Adjusted Trailing P/E (Price/Earnings) Ratio is the closing stock price divided by the sum of the last 12 months actual EPS. The Forecast P/E Ratio is the closing stock price divided by the sum of the next 4 quarters estimated EPS. All P/E, ROE and P/B statistics are calculated as weighted medians.

Best and Worst Performers sections reflect stocks in the portfolio for the quarter with an average weight of 0.25% or greater.

Views expressed herein are drawn from commentary provided to Harbor by the subadviser and may not be reflective of their current opinions or future actions, are subject to change without prior notice, and should not be considered investment advice.

The views expressed herein may not be reflective of current opinions, are subject to change without prior notice, and should not be considered investment advice.

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As a result of changing market conditions, total net asset levels, expenses and other statistics may change at any time and may differ from those shown.

The total amount shown for sector, industries, or country holdings may be greater than 100% because of the inclusion of derivatives and the collateral securities supporting those instruments.

Sector allocations are determined using the Global Industry Classification Standard (GICS), which is a service of Morgan Stanley Capital International (MSCI) and Standard & Poor's (S&P).

Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. To obtain a summary prospectus or prospectus for this and other information, visit harborcapital.com or call 800-422-1050. Read it carefully before investing.

Marathon Asset Management LLP is an independent subadviser to the Harbor International Fund.

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Attribution Disclosures

Linked Performance by Sectors data is produced from FactSet using data supplied by State Street Bank and Trust Company.

Allocation Effect is the portion of portfolio excess return that is attributable to taking different group bets from the benchmark. (If either the portfolio or the benchmark has no position in a given group, allocation effect is the lone effect.) A group's allocation effect equals the average percent capitalization of the portfolio's group minus the average percent cap of the benchmark's group times the total return of the benchmark group minus the total return of the benchmark.

Active Currency Contribution is the Currency Contribution of the portfolio minus the Currency Contribution of the benchmark.

Average Weight is the dollar value (price times the shares held) of the security or group, divided by the total dollar value of the entire portfolio displayed as a percentage. It is calculated as the simple arithmetic average of daily values.

Contribution to Return is the contribution of a security or group to the overall portfolio return. It is calculated as the security weight multiplied by the daily security return linked daily across the reporting period.

Currency Contribution is Total Return in USD subtracting out the Local Returns.

Local Returns are the Total Return of the portfolio or benchmark using the local currency.

Selection Effect is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark. A group's security selection effect equals the average weight of the benchmark's group times the total return of the portfolio's group minus the total return of the benchmark's group.

Total Effect is the sum of Allocation Effect and Selection Effect. The total effect represents the opportunity cost of what was done in a group relative to the overall portfolio. It is not just the difference between percent contribution in the portfolio and benchmark. At the overall portfolio level, the two numbers are equal. At the group level, they can be different.

Total Return is the price change of a security or group including dividends accrued over the report period (or the in-portfolio return) which includes only the time period that each security was in the portfolio.

Definitions

Beta is a measure of systematic risk, or the sensitivity of a fund to movements in the benchmark. A beta of 1 implies that the expected movement of a fund's return would match that of the benchmark used to measure beta.